

Baucus health bill would let private group write rules

The National Assn. of Insurance Commissioners is made up of state officials, but it's not subject to public rules, and members are often cozy with the industry.

By Andrew Zajac
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Healthcare overhaul legislation moving through the Senate Finance Committee would put crucial rule-making authority in the hands of a private association of state insurance commissioners that consumer advocates fear is too closely tied to the industry.

The National Assn. of Insurance Commissioners currently writes model laws and regulations that individual states are free to accept or discard. Under the bill by Sen. Max Baucus (D-Mont.), it would craft a model rule governing "health insurance rating, issuance and marketing requirements" that would become "the new federal minimum standard without any further congressional action." States would be permitted to deviate from the standards only by appealing to the Department of Health and Human Services.

In effect, the bill would allow the group to write many of the new rules on issuing and marketing insurance to millions of uninsured Americans who would be required to purchase policies.

"The NAIC is clearly an organization that is dominated by the insurance industry," said California Lt. Gov. John Garamendi, a former state insurance commissioner.

"I think the NAIC has an important role to play. They have a lot of knowledge, but I would be concerned about giving them authority to set the rules."

The group's 56 members are public officials -- the elected or appointed chief insurance regulators of the states, the District of Columbia and five U.S. territories -- responsible for enforcing laws that vary widely in rigor depending on jurisdiction.

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